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OF COUNSEL  
WILLIAM G. CONLY

May 29, 2007

Honorable James H. Welsh  
Commissioner of Conservation  
State of Louisiana  
Post Office Box 44275  
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING.

Hosston Formation, Reservoir B, and Cotton Valley  
Formation, Reservoir B, WOODARDVILLE FIELD,  
Red River Parish, Louisiana.

Dear Sir:

J-W OPERATING COMPANY ("Applicant") hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston Formation, Reservoir B, and to the Cotton Valley Formation, Reservoir B, in the Woodardville Field, Red River Parish, Louisiana:

1. To create eleven (11) additional drilling and production units for the exploration for and production of gas and condensate from the Hosston Formation, Reservoir B, such units being shown on an attached plat and being designated HOSS RB SUII through HOSS RB SUSS.
2. To create eleven (11) additional drilling and production units for the exploration for and production of gas and condensate from the Cotton Valley Formation, Reservoir B, such units being shown on an attached plat and being designated CV RB SUII through CV RB SUSS.
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed additional units in accordance with Section 10, Title 30, of the Louisiana Revised Statutes of 1950, with each tract sharing in unit production on a surface acreage basis of participation.
4. To designate a unit operator of, and unit wells for, the proposed additional units as may be appropriate.
5. To permit Applicant to combine downhole production from the Hosston Formation, Reservoir B, with production from the Cotton Valley Formation, Reservoir B, in any well drilled on the identical units proposed for these formations in which well the interests in the units are identical.
6. To redefine the Cotton Valley Formation, Reservoir B, in the Woodardville Field, insofar and only insofar as to the additional proposed units CV RB SUII through CV RB SUSS, as

being the stratigraphic equivalent of that gas and condensate bearing zone encountered between the depths of 9,730 feet and 12,925 feet (electrical log measurements) in the EnCana Oil & Gas (USA) Inc.--J W Adcock Investments No. 1 Well, located in Section 15, Township 13 North, Range 9 West, Red River Parish, Louisiana.

7. To extend, except as in conflict herewith, the provisions of the Office of Conservation Order No. 990-C series of Orders, and all applicable Statewide Orders, to the proposed additional units for the Hosston Formation, Reservoir B.

8. To extend, except as in conflict herewith, the provisions of the Office of Conservation Order No. 990-B series of Orders, and all applicable Statewide Orders, to the proposed additional units for the Cotton Valley Formation, Reservoir B.

9. To discuss such other matters as may be pertinent.

The Hosston Formation, Reservoir B, in the Woodardville Field, Bienville and Red River Parishes, Louisiana, was initially defined in Office of Conservation Order No. 990-C, effective February 1, 2006, and was further defined in Office of Conservation Order No. 990-C-8, effective January 9, 2007.

The Cotton Valley Formation, Reservoir B, in the Woodardville Field, Bienville and Red River Parishes, Louisiana, was initially defined in Office of Conservation Order No. 990-B, effective September 13, 2005, and was redefined as to specific units in Office of Conservation Order No. 990-B-10, effective January 9, 2007.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 21010 Vermont Street, Livingston, Louisiana 70754. Any person wishing to inspect such data should call Mr. Adams at (225)686-2355 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

By letter dated May 2, 2007, Applicant gave notice, in accordance with the Revised Rules of Procedure, of its intention to apply for a public hearing concerning these matters and a pre-application conference with respect to Applicant's proposals was thereafter held beginning at 1:30 o'clock p.m. on May 25, 2007, in Shreveport, Louisiana. Attached is a list of the names and addresses of those persons present at the conference.

The purpose of the conference was explained as well as the bases for Applicant's proposals by sufficient data and detail for those present at the conference to have a reasonable opportunity to discuss the proposals and attempt to resolve any differences in good faith. During this presentation it was noted that Applicant was revising its proposals with respect to redefinition of the Cotton Valley Formation, Reservoir B, as to the additional units proposed for this formation, as a result of a request made by EnCana Oil & Gas (USA) Inc. Following Applicant's presentation, there was a general question and answer period concerning the proposals of Applicant. Thereafter, the

Honorable James H. Welsh  
May 29, 2007  
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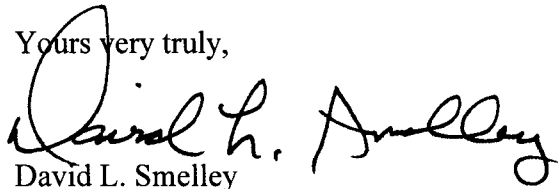
conference was adjourned with no opposition having been expressed and no counterplan having been presented.

Attached hereto are plats outlining the additional drilling and production units which Applicant proposes to create (which plats are identical to those attached to the pre-application notice). Also attached hereto is a list of the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom a copy of this application is being sent. Pursuant to the Revised Rules of Procedure, such list is being forwarded only to the Commissioner of Conservation and to the District Manager of the Shreveport District of the Office of Conservation. A copy of the list will be furnished by the undersigned to any party so requesting. A reasonable effort was made to obtain a complete list of Interested Owners, Represented Parties and Interested Parties.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and the enclosed plats at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Woodardville Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

Finally, we enclose our check payable to the Commissioner of Conservation for the application fee.

Yours very truly,

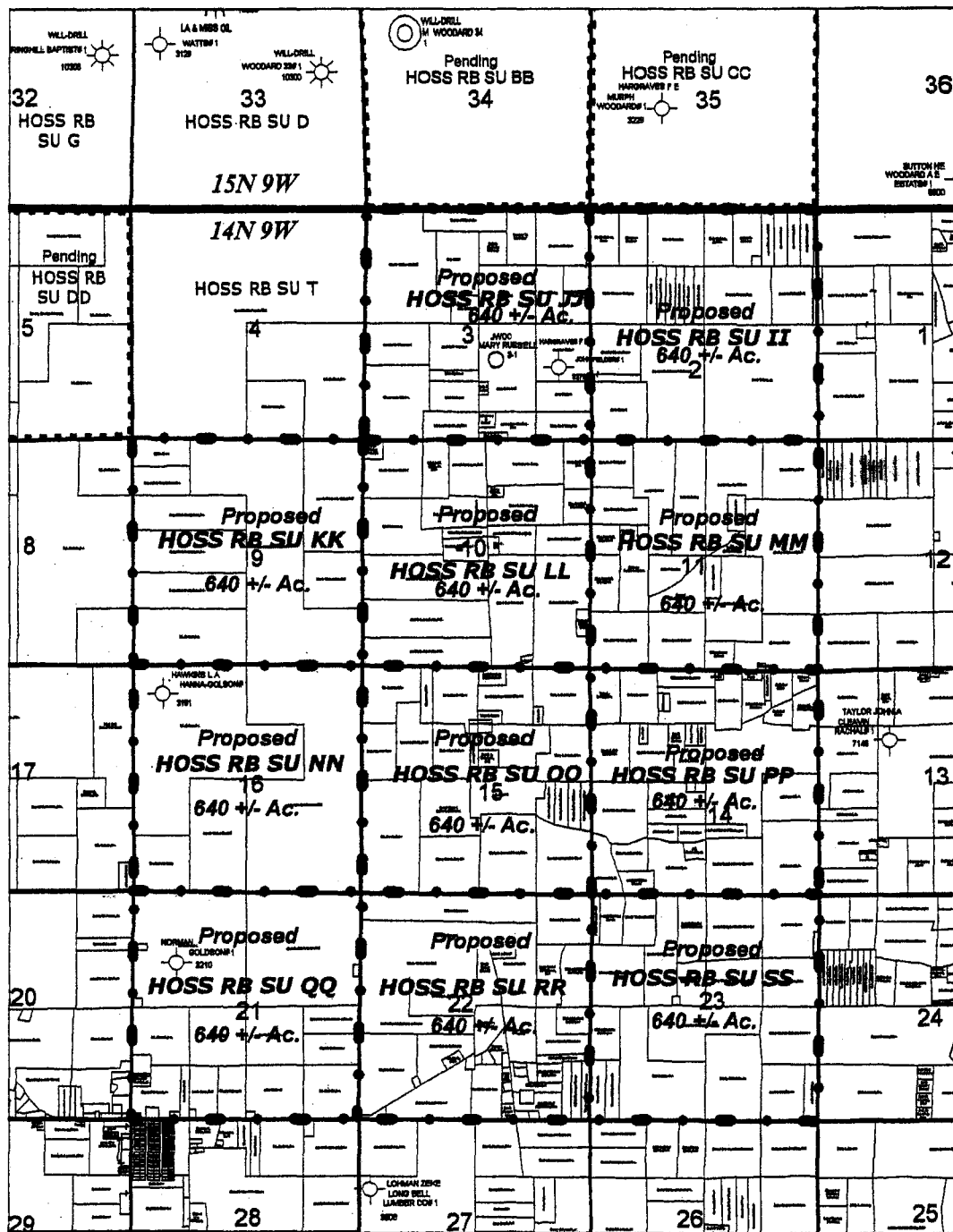


David L. Smelley

-- Attorney for J-W Operating Company

DLS:dp  
Enclosures

cc: Mr. Jim Broussard (w/encls.)  
Mr. Jerry Wooten (w/encls.)  
Mr. Michael Baca (w/encls.)  
Mr. Joe B. Adams (w/encl.)  
Interested Owners, Represented Parties  
and Interested Parties (w/plats only)



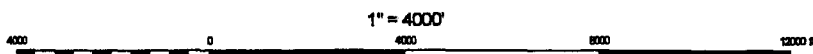
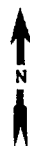
**LEGEND**


— Existing Units 990-C series

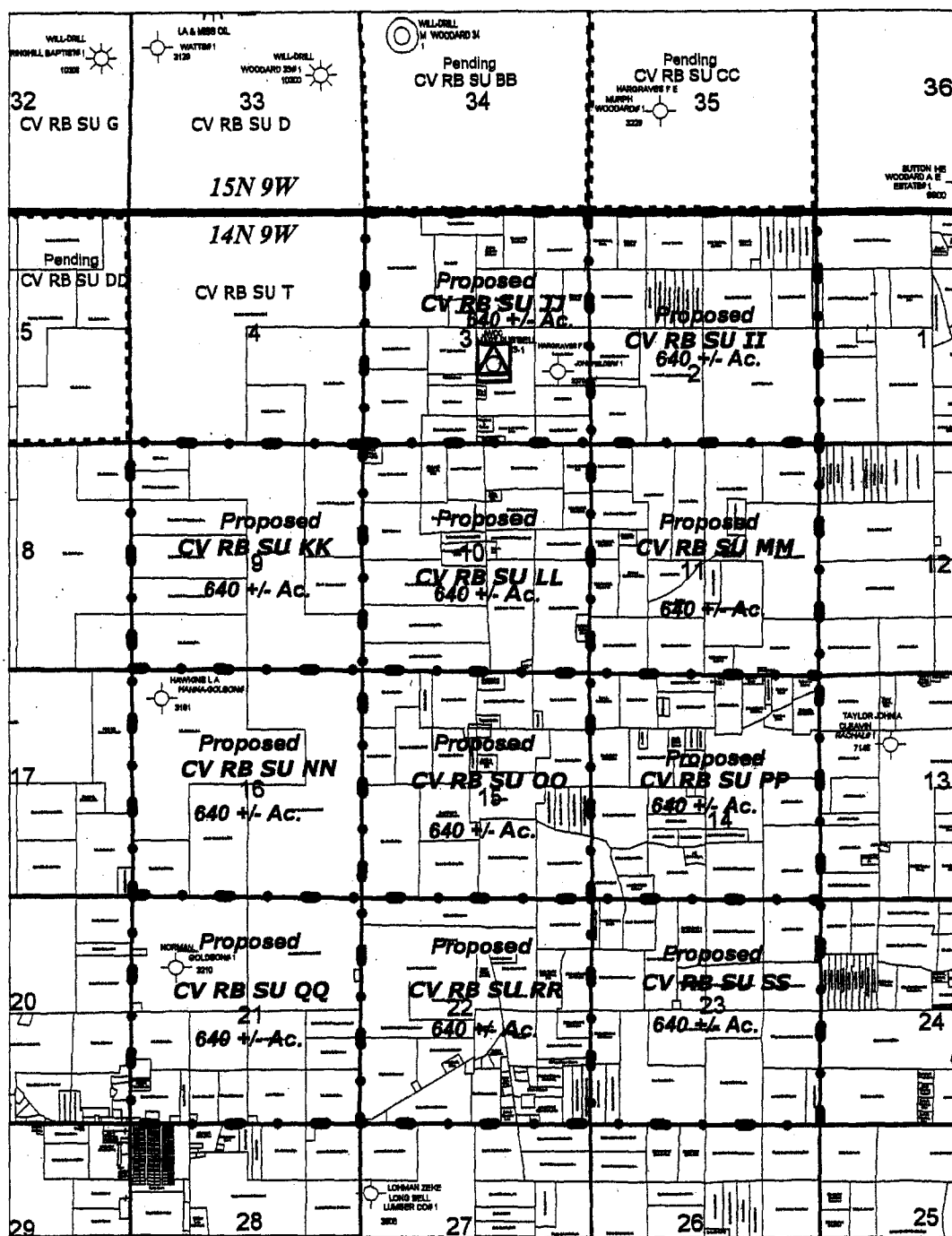
••• Proposed Hosston Unit

••• Pending Hosston Units

Posted Wells > 6000'

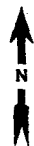


		
<small>J-W OPERATING COMPANY P.O. BOX 15000 DALLAS, TEXAS 75215-0000 OFFICE: (972) 517-4100 FAX: (972) 517-4704</small>		
<b>Woodardville Field</b> <b>PROPOSED HOSSTON UNITS</b> Unit Plot <b>Red River Parish, La.</b>		
DATE:	Witness: Joe Adams	Desket No.
Exhibit 1	Scale: 1"=4000'	DT-77



**LEGEND**

- Existing Units 990-B series
- Proposed Cotton Valley Unit
- • • Pending Cotton Valley Units
- ⊠ Proposed Unit Well
- Posted Wells > 6000'



**JWO**

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P.O. BOX 18486  
DALLAS, TEXAS 75218-0486  
OFFICE: (972) 231-4101  
FAX: (972) 991-0104

**Woodardville Field**

**PROPOSED COTTON VALLEY UNITS**  
Unit Plat

**Red River Parish, La.**

DATE:	Witness: Joe Adams	Docket No.
Exhibit 1	Scale: 1:4000'	07-77

